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Russian Federation

Trade Policy Monitoring

New Import Duty on Rice

2005

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Report Highlights:

The Russian Government recently passed a resolution to increase tariffs on imported rice and milled rice products to 0.07 Euro per kg to support domestic rice production. The resolution will take effect on April 10, 2005.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Moscow [RS1]
[RS]

Summary

On March 3, 2005, the GOR approved a resolution setting import duties on rice and rice products at 0.07 euro per kg. This resolution will take effect on April 10, one month after the date of official publication, and will be valid for nine months.

Below is an unofficial translation.

Text of the Resolution

Government of the Russian Federation Resolution #115 of March 3, 2005

"On Approving Import Customs Tariffs on Rice and Milled Rice Products"

The Government of the Russian Federation decrees the following:

1. As a partial amendment to the tariff code of the Russian Federation approved by the resolution of the Government of the Russian Federation #830 on November 30, 2001 "On the Customs Tariffs of the Russian Federation and Commodity Codes Used during the Implementation of Foreign Economic Activity" (Collection of Laws of the Russian Federation, 2001, #50, article 4735; 2003, #26, article 2653; 2004, and #17, article 1659) import tariffs for rice and milled rice products (HS numbers 1006, 1103 19 500 0, 1103 20 500 0, 1104 19 910 0 and 1108 19 100 0) will be set at 0.07 euro per kg.
2. The force of item 2 of the resolution of the Government of the Russian Federation of October 22, 1997 #1347 "Issues of Customs Tariffs Policy" (Collection of Laws of the Russian Federation, 1997, #43 article 4998) does not supercede the tariff rate approved by item 1 of the present resolution.
3. The present resolution enters into force one month from the date of its official publication for a period of nine months.

Chairman of the Government
of the Russian Federation

M. Fradkov

Comments

Rice duties have remained unchanged for the past two years at ten percent of the customs value, but not less than 0.03 euro per kg. However, rice producers began lobbying for restrictions on imports several years ago and originally asked for import quotas. According to experts, traders are using the period before the new tariffs take effect to import as much as possible. Official customs data for January and February 2005 is not yet available, but experts believe imports were very intense and traders accumulated large stocks. So, it is likely the new duty will have little to no effect on the total volume of imports in the first half of 2005. In the longer run, the new tariff may increase the price of imported rice by 30-50 percent. The average price of rice imported in 2004 from China, the main supplier of rice to Russia, was \$0.15 per kg and a 0.07 Euro per kg tariff will increase the price of this rice in the domestic market significantly. The price of rice imported from other sources in 2004 ranged from \$0.11 to \$0.26 per kg and after the introduction of the new 0.07 Euro tariff, only the most expensive rice from Kazakhstan will remain competitive with domestic rice.